Creation of Disinvestment Fund

3565. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of INDUSTRY be pleased to state:

(a) whether in its first report in February, 1997 Disinvestment Commission had recommended that the proceeds of disinvestment be placed separately in a Disinvestment Fund (DF) and not to be fungible with other Government receipts;

(b) whether the Commission has also pointed out that the disinvestment should not be used as a short term budgetary measure intended mainly to raise the resources to cover fiscal deficit; and

(c) if so, the action taken by Government to form Disinvestment Fund and to dispel the apprehension of the Commision?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) Yes Sir.

(b) Yes Sir.

(c) The Government have decided in principle to create a Disinvestment Fund.

Share of SSI in exports

3566. DR. B.B. DUTTA: Will the Minister of INDUSTRY be pleased to state:

(a) the small scale industry's share in export as compared to the organised sector for the last three years;

(b) the extent of its contribution to the employment generation and creation of wealth in the country; and

(c) the long term strategy proposed to be formulated for the development and growth of the Small Scale Industries during the Ninth Plan period?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Exports from small scale sector and its share during the last three years in India's total exports are as follows:

Sl. No.	Year	Total Exports of the Country (Rs. in crores)	Exports from Small Scale Sector (Rs. in crores)	% share in India's total exports
1.	1994-95	82674.11	29068.15	35.15
2.	1995-96	106464.86	36470.22	34.25
3.	1996-97	117524.98	39248.54	33.40

(b) It is estimated that the small scale sector is providing gainful employment to about 167 lakh persons. The contribution of the Small Scale Sector to the total production of manufacturing sector in India is about 42%.

(c) The 9th Plan approach paper envisages greater focus on improved credit flow, more incentives and support to facilitate their growth and employment generation, technological development and upgradation, improving export capabilities of this sector, enlargement of the scope of the Prime Minister's Rozgar Yojana for creating new self-employment opportunities for the development and growth of the Small Scale Industires.

Revival of market

3567. SHRI O.P. KOHLI: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the news appearing the 'Hindu' dated the 24th June, 1998 under the caption "Industry seeks steps to revive market", and

(b) if so, Government's reaction to the suggestions made by the industry?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) and

(b) The capital market is driven by the expectations about the performance of the corporate sector, the economy in

general, perception about the economic policy of the government and the developments of the international capital market. The principal cnsideration of the government and SEBI is to ensure orderly and transparent functioning of the market. The government and SEBI take into account all suggestions received from various sources including industry while formulating policies.

Reasons for losses in CPSUs

3568. SHRI NARENDERA MOHAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that annual losses of Central Public Sector Undertakings for 1996-97 were Rs. 5,862 crores;

(b) if so, what are the reasons therefor and the steps Government have taken during the last three years to make these PSUs viable; and

(c) whether this downward slide is attributable to policy or enefficient management?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) The net profit earned by CPSUs during 1996-97 was of the order or Rs. 10258 crores after adjusting the losses of Rs. 5862 crores incurred by loss making CPSUs.

(b) and (c) The reasons for loss making are enterprise specific and include obsolete plant & machinery, outdated technology, adverse market conditions, excess manpower, working capital shortage, heavy interest burden, social obligations, etc.

Apart from the enterprise specific measures, the steps taken by the Government include professionalisation of Boards, periodic performance review meetings by the administrative Ministries, entering into Memorandum of Understanding with the undertakings, rationalisation of manpower organisational and capital restructuring including formation of joint ventures, technology upgration, etc.

Revival of the HMT and Instrumentation Limited

3569. SHRI VAYALAR RAVI: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have made any proposal to revive HMT and Instrumentation Limited; and

(b) if so, what are the proposals and steps taken so far to improve the performances of these industries?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) and (b) HMT is working on a revival plan for the company. Revival of Instrumentation Ltd. is before BIFR which is a quasi-judicial body. The performance of HMT and Instrumentation Ltd. are regularly monitored and reviewed by the Government.

PSUs in the Country

3570. SHRI RAGHAVJI: Will the Minister of INDUSTRY be pleased to state:

(a) the number of major and medium scale public sector units in each State alongwith the capital investment and number of employees working therein;

(b) the number of units running into profit or loss during each of the last three years; and

(c) the steps taken/contemplated to improve their performance?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) A list of Central PSUs in States/Union Territories as per their registered offices as on 31.3.97 is given in Appendix III (pages S-230 to S-236) of Volume I of the Public Enterprises Survey, 1996-97 which has been laid in Parliament on 8.6.98.